

EPAC/EC File

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ED/EC M-276

October 3, 1957

EXECUTIVE COMMITTEE OF THE
ECONOMIC DEFENSE ADVISORY COMMITTEE

MINUTES

2:00 p.m., Tuesday, October 1, 1957
Room 913 District National

Attendance:

MDAC

Mr. Hale, Chairman
Mr. Kramer, Executive Secretary
Mrs. Huver, Committee Secretary

ICA

Mr. Slaght
State
Mr. Wright

CIA 25X1A9a

Mr. [REDACTED]

Treasury
Mr. Pollak

Commerce

Mr. George

Defense

Col. Green

Agenda:

Note a. Thermo-nuclear Concept

1. Work Program for Paragraph 9 of Economic Defense Policy
2. Embargo of Copper Wire
3. List II Quotas for 1958

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Note a. Thermo-nuclear Concept

The Commerce member said he felt strongly that whatever happens when next there is a major multilateral meeting, one way or another we are going to be faced with the thermo-nuclear concept and, regardless of the techniques that may be devised, he felt we should start preparing ourselves to handle this problem.

The Defense member replied that the JCS had stated its willingness to discuss this matter with their British counterparts. He felt that this subject should be limited to discussions by the military and not discussed in COCOM since they do not have the competence. It should be taken out of the COCOM frame of reference until the military elements have been discussed.

1. Work Program for Paragraph 9 of Economic Defense Policy

The Chairman of the Ad Hoc Subcommittee reported that the first meeting of that group would be held Wednesday, October 2, 1957.

The Executive Committee Chairman said he hoped all Executive Committee members would assist Mr. George in obtaining prompt help if he needs it and also to help in getting priorities established. He hoped everyone recognized this as a priority activity.

2. Embargo of Copper Wire
(Ref. ED/EC D-123)

Decision

All members, with the exception of the Commerce member who reserved, concurred in the State proposal to proceed with the approach outlined by the Embassy in London Embtel 2134 of September 27, 1957. The Defense member stated, however, that his concurrence would depend upon the language of the State proposal, since his agency is concerned with the deterioration of the program to commercial considerations.

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3. List II Quotas for 1958

Decisions

The Executive Committee members would discuss the State Department draft instruction to the USDEL re List II quotas for 1958 with their EDAC members and notify the State Executive Committee member if there were any objections to it being sent.

The Chairman of the Executive Committee should also be notified of the agencies' decisions in the event an EDAC meeting would have to be called for Thursday, October 3, to review alternatives presented by agencies.

Discussion

The State member distributed to the members a draft instruction to the USDEL on the subject of List II quotas for 1958. He stated that this draft is the result of serious review within the Department of State and it represents the views of EDAC level thinking in State. He requested the members to discuss it with their EDAC members and to inform him if any agency would object to its transmission. He felt that if there was disagreement there would have to be a higher-level review.

The Commerce member asked if State had determined where the physical and institutional obstacles now hindering transshipments (point (2) in draft under review) would apply to List II items.

The State member replied that they have not received the results of a review by the R area. There has not been full agreement in State and, in the absence of a finding by the intelligence area in State, this message leaves the issue open as to items which might be affected by this arrangement.

The members did not agree with the statement in (1) that "...it cannot be assumed that strategic industrial materials available to one USSR and Communist China/ automatically become available to other." The State member said this was the big argument in terms of economic impact of the differential but State's view was and remains that there is not a complete freedom of movement between Communist China and the remainder of the Bloc. After further discussion of this point the members felt that the statement would be more accurate if the word "items" were substituted for "materials".

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The Chairman felt that the statement in (2) "Since COCOM quotas in most cases greatly exceed European Bloc requirements" should be changed to read "Since COCOM quotas in most cases have not been fully utilized". He added that he agreed with the ICA member's remark that the Del would be greatly embarrassed if he had to make some of the statements in this draft in COCOM.

The CIA member asked if the intelligence information now being developed on specific CHINCOM vulnerabilities (point (3) of the State draft) was being checked with CIA. The State member said he would check that point with OIR.

The State member said he would discuss changing the word "materials" to "items" in (1) and clarifying the language in (2) with his EDAC member and he felt these changes could be made. He said, however, that apart from those changes the message, as is, should be considered a strong State Department proposal of instruction to the USDEL.

In response to a query as to whether the State member had informed his Department of the fact that in Executive Committee discussions all members, with the exception of Treasury, advised against this line of action, the State member replied that he had.

Distribution

ED List Parts I & II

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